

Senate File 2223 - Introduced

SENATE FILE 2223

BY ANDERSON

A BILL FOR

1 An Act relating to the additional homestead property tax credit
2 for disabled veterans and including applicability date
3 provisions.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 425.15, Code 2014, is amended to read as
2 follows:

3 **425.15 Disabled veteran tax credit.**

4 If the owner of a homestead allowed a credit under this
5 chapter is a veteran ~~of any of the military forces of the~~
6 ~~United States,~~ who acquired the homestead under 38 U.S.C.
7 § 21.801, 21.802, prior to August 6, 1991, or 38 U.S.C. § 2101,
8 through 2102, or a veteran as defined in section 35.1, with
9 a service-connected disability, as certified by the United
10 States department of veterans affairs, the amount of the
11 credit allowed on the homestead from the homestead credit fund
12 shall be ~~the entire amount~~ a percentage of the tax levied
13 on the homestead, after subtracting the regular homestead
14 credit allowed under section 425.1, that is equivalent to the
15 veteran's service-connected disability rating percentage. The
16 credit allowed shall be continued to the estate of a veteran
17 who is deceased or the surviving spouse and any child, as
18 defined in section 234.1, who are the beneficiaries of a
19 deceased veteran, so long as the surviving spouse remains
20 unmarried. ~~This section is not applicable to the holder~~
21 ~~of title to any homestead whose annual income, together~~
22 ~~with that of the titleholder's spouse, if any, for the last~~
23 ~~preceding twelve-month income tax accounting period exceeds~~
24 ~~thirty-five thousand dollars. For the purpose of this section~~
25 ~~"income" means taxable income for federal income tax purposes~~
26 ~~plus income from securities of state and other political~~
27 ~~subdivisions exempt from federal income tax. A veteran or~~
28 ~~a beneficiary of a veteran who elects to secure the credit~~
29 ~~provided in this section is not eligible for any other real~~
30 ~~property tax exemption provided by law for veterans of military~~
31 ~~service.~~ If a veteran's service-connected disability rating
32 percentage changes, the veteran shall provide written notice to
33 the assessor by July 1 following the date on which the rating
34 percentage is changed. If a veteran acquires a different
35 homestead, the credit allowed under this section may be claimed

1 on the new homestead unless the veteran fails to meet the other
2 requirements of this section.

3 Sec. 2. APPLICABILITY. This Act applies to property taxes
4 due and payable in fiscal years beginning on or after July 1,
5 2015.

6 EXPLANATION

7 The inclusion of this explanation does not constitute agreement with
8 the explanation's substance by the members of the general assembly.

9 The disabled veterans tax credit under Code section 425.15
10 provides a property tax credit equal to the entire amount of
11 the tax levied on the homestead of a veteran who acquired the
12 homestead under specified federal programs, and who has an
13 income of \$35,000 or less.

14 This bill provides that in addition to those veterans who
15 acquired their homestead under a specified government program,
16 the credit is also allowed for a veteran, as defined in
17 Code section 35.1, who has a service-connected disability as
18 certified by the United States department of veterans affairs.
19 The credit allowed on the homestead is an amount equal to a
20 percentage of the amount of the tax levied on the homestead
21 that is equivalent to the veteran's permanent service-connected
22 disability rating percentage.

23 The bill also strikes the income limitation qualifications
24 for the disabled veteran tax credit and strikes a provision
25 making the veteran receiving this credit ineligible for any
26 other property tax exemption.

27 Code section 25B.7 provides that if a state appropriation
28 made to fund the credit or exemption is not sufficient to fully
29 fund the credit or exemption, the political subdivision shall
30 be required to extend to the taxpayer only that portion of the
31 credit or exemption estimated by the department of revenue to
32 be funded by the state appropriation.

33 The bill applies to property taxes due and payable in fiscal
34 years beginning on or after July 1, 2015.